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SUBJECT: THESSALONIKI: KIDNAPPING OF PROMINENT INDUSTRIALIST STUNS
POLICE, BUSINESS COMMUNITY

¶1. (SBU) SUMMARY: On June 09, three gunmen abducted the chairman of the Federation of Northern Greek Industries and CEO of Alumil S.A. Giorgos Milonas outside his home in Thessaloniki. Media have reported that the family has received a ransom demand for 30 million Euros. The victim is a prominent businessman with professional activities in many countries. He is an outspoken advocate of free trade and critic of government bureaucracy and incompetence. Police have told Post that available evidence suggests that his kidnapping is criminal in nature with no terrorism-related or political motives. Athens Legal Attachi has offered assistance to the Greek police. END SUMMARY

POLICE DO NOT SUSPECT TERRORISTS

¶2. (SBU) According to media and police reports, the chairman of the Federation of Northern Greek Industries and CEO of Alumil S.A. Giorgos Milonas was abducted in front of his house by three armed assailants as he and his wife returned home shortly before midnight on Monday, June 09. The gunmen ordered Milonas's wife to leave the car, then used it to take Milonas to a second vehicle that they used for escape. They left Milonas' cell phone, wristwatch and wallet in his car, perhaps concerned that the items might facilitate their being traced by police. Media reported that they also left a note, asking for 30,000,000 in ransom. Media have also speculated that Milonas' successful business dealings in the Balkans may have attracted attention from mafia gangs. Police contacts have told us they are treating this as a criminal case and do not believe it is terrorism-related, though all possibilities are being investigated. Athens Legal Attachi has offered assistance.

OUTSPOKEN PRO-BUSINESS GOVERNMENT CRITIC

¶3. (U) Giorgos Milonas is the chairman of the Federation of Northern Greek Industries, a member of the board of the Federation of Greek Industries and a member of the board of the Greek Association of Aluminum. He is also the vice-chairman of the Greek-Chinese Business Council and a member of the Greek-Serbian Business Council. He is the CEO of Alumil S.A., a successful aluminum extrusion company. Its production sites include 13 factories, in four cities in Northern Greece and six abroad. It has 25 subsidiaries around the world and employs over 2,000 staff. Listed in the Athens Stock Exchange since 1998, the Group's sales have exceeded 179m in 2004. In the U.S., the company has a showroom in New York, while further investments and the establishment of subsidiaries are in progress. Born in 1959, Milonas holds a BScs in Mathematics and Business Administration and an MSc in Operational Research.

¶4. (SBU) The victim has been very vocal in his advocacy on behalf of northern Greek businesses. He has drawn media attention for his direct criticism of government policy and sometimes combative tone. He has urged that "Free Transactions Zones" be set up in border regions and that the zones be accessible to the workforce of the neighboring countries.

Though close to governing New Democracy politicians, he has regularly criticized the GoG for not helping to create an attractive business environment, through reduction of bureaucracy, anti-corruption measures, more flexible labor laws, and tax incentives etc. Despite his often controversial views, he is a popular and well-liked personality. He is a close post contact.

RARE KIDNAPPING RECALLS 1995 CASE

¶5. (U) Since 1995, there have been eight abduction cases in Thessaloniki. In all of them, the victims returned safe to their families, and in most cases the perpetrators were arrested. Only one previous case was of a magnitude comparable to the present case. That was the abduction of Alexandros Haitoglou in 1995. Haitoglou was the owner of the company "Macedonian Halva" and was released after his family paid a ransom of about 734,000 (\$1.16m.)

¶6. (SBU) COMMENT: The kidnapping of one of northern Greece's most well-known respected businessman has shocked northern Greeks, who are used to the occasional anarchist Molotov cocktail but not to crime of this nature. Police are taking the case seriously, aware that their performance will be closely scrutinized in the wake of several highly publicized gaffes over the past year. END COMMENT.

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